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PRESIDENT'S REMARKS TO BOARD OF GOVERNORS

New Delhi, March, 1986.

363  
This Board last met in its entirety half a year ago, half a world away. This is the first occasion that it has gathered outside Canada since March, 1984, when we met in Senegal. The meeting marks a return to India after fourteen years. It is perhaps not as appropriate here for me to offer to each of you a welcome to this meeting as would be the case in Ottawa, but I do so nevertheless and equally as warmly.

My first words of welcome must be to echo those of the Chairman, to greet with warmth and enthusiasm those of you who have joined this Board for the first time. IDRC is honoured and strengthened to be able to attract to it persons of the distinction and experience of Dr. Ogata, Dr. Butros and Dr. Menon. I welcome each of you and pledge the support of Centre staff to the stewardship you now share. Your fellow appointee, Prof. Kamba, of Zimbabwe, regrets that a previous commitment prevents him from being here. My pleasure at these new appointments is tempered by the realization that Dr. Filion-Laporte is concluding her term as a Governor. We are much indebted to her for her

Archiv  
HEAD  
no 67

contribution over the years. I am particularly grateful for her kindnesses and wise counsel during the period she served as Acting-Chairman. Liliane may conclude her term confident, I assure her, of the deep affection of me and her many friends at IDRC. Nous te remercions une mille fois comme collaborateur pour tes contributions, ton amitié, et ton support. Tu seras toujours, je t'assure, un membre très respecté et très important de la famille du CRDI.

The Secretary of State for External Affairs has told me that he is sending letters of appreciation to those Governors whose terms have expired, thanking them for their important contributions: Messrs. Louhibi and Ayida, each of whom served two terms, and Pierre Bauchet who served on this Board from its inception in 1970, whose gentle wisdom and generous spirit will be much missed by us all.

In the past six months, the cascading sequence of events in the international community challenges any observer who attempts to catalogue them in priority of importance as I endeavour to do for Governors at each meeting. In January, at the Executive Committee meeting, I noted the apparent increase in frequency of natural disasters and their uneven impact upon countries North and South. The drought in so much of Africa, the

tidal wave in Bangladesh, the volcanic eruption in Colombia, the earthquake in Mexico. These and other natural events, coupled with industrial accidents such as that at Bhopal in this country, emphasize the extreme vulnerability of developing country societies to incidents which, in the industrialized countries, would be of much less impact. Partly, but not wholly, because of the absence of adequate infrastructure, unexpected events that in the North would be little more than expensive nuisances become in the South major cataclysms. The resulting burden on governments and economies already sorely pressed must not be overlooked by international planners. This is a serious, yet not consistently-accepted phenomenon.

A recurring theme in these remarks of mine in recent years, one of immense importance to developing countries, has been that of international debt and deteriorating terms of trade. Of deepest concern to the states of Latin America, these are nevertheless problems of global scope. The new government of President Garcia in Peru has joined that of President Alfonsin in Argentina to emphasize the critical nature of these problems for Latin American societies, and to call for major international reforms. The Mexican economy is virtually in a freefall as

the dramatic drop in the price of oil in recent weeks adds to the considerable burdens of that country. Mexico, like other oil producers, finds its foreign exchange sources rapidly diminishing. Some observers are now predicting that oil prices will drop to less than US\$10 per barrel, with as yet unpredictable consequences -some good, some bad - for developing countries, depending on their oil sources.

Once again, the wildly fluctuating and unpredictable market prices for internationally-traded commodities places at highest risk the less resilient economies of the developing countries. In this continent, Malaysia suffers because not even the well-structured and long-successful International Tin Agreement and its buffer stock provisions was able to withstand plummeting tin prices. As recently as last week the International Tin Council was unable to recuscitate the buffer stock fund. Tin prices have fallen more than pounds Sterling 2,400 per tonne in less than five months. Even not counting oil, dollar prices for tropical commodities were in 1985 27% lower than their 1980 levels.

Several years have passed since the Third World pledged eloquently for a "common fund" with a number of individual commodity baskets. Those proposals are not

current today, but the need for some resolution of these issues remains. The effect of producer-consumer commodity agreements has been inconsistent even within relatively highly structured economies such as Canada's. In the international market place their failure is marked by any number of examples other than tin, such as sugar, wheat, and coffee, although prices for the latter are now high. For India, the experience of tea agreements has been less volatile, but far from totally satisfying.

We must believe that the economic and political skills of the world are not incapable of devising a better system. Former President Nyerere of Tanzania long pleaded for such an innovation. A fresh start is certainly overdue. Perhaps another initiative such as the 1974-75 Conference on International Economic Cooperation, which was co-chaired by Canada and Venezuela, should be considered, with commodity pricing once again as a principle agenda item. Such could act as a preliminary round to a second Cancun, to which L.K. Jha referred yesterday with his generous remarks about the role of Pierre Trudeau as Co-Chairman. The fall in price on international markets of tropical commodities, after all, does more damage to

developing country economies than any volume of external aid can overcome. In the result, both North and South suffer albeit asynchronously.

If our failure to tackle with adequate seriousness these economic issues is a source of potential peril, so equally is our willingness to rely with absolute seriousness on the products of high technology. We live in an age which benefits from extraordinary technical advances, permitting near-miraculous feats in computation, communication, transportation and myriad other fields. Yet these spectacular accomplishments are no substitute for wisdom or compassion or tolerance. Nor are they flawless, as we all witnessed with horror in late January when, shortly after marvelling at the triumph of Voyager II passing Uranus, we witnessed the tragedy of Challenger. As weapons systems become ever-more sophisticated, employing increasingly complex sequences of incredibly precise events, the danger of failure increases as well. In a nuclear world, there is no room for failure for there will be no recovery from error. And yet the most recent session of the US-USSR disarmament negotiations in Geneva broke off with no progress reported. And the next Reagan-Gorbachev summit may be in peril.

In any six-month period, one can expect to witness a wide range of human behaviour but surely there have been few earlier periods where the contrast between saintliness and villainy has been so marked. The cowardice of terrorism in many places - Vienna, Beirut, Amritsar, Nablus, Stockholm, among others - as compared with the breathtaking heroism of unarmed people using their bodies to impede the movement of heavy tanks in Manila, or their fellows demonstrating in the face of riot police in the townships surrounding Johannesburg.

We share the elation of Gelia Castillo at the recent extraordinary events in the Philippines, and share with her as well the hope that President Aquino will succeed in the daunting task she has assumed, as Rajiv Gandhi is succeeding in the face of the formidable challenges of this turbulent country.

So much rests on enlightened leadership. So much is lost when wise leaders pass on. At this moment, as the world hesitates, uncertain of its ability to venture forward into the cooperative structures and legal regimes so necessary for survival and human accomplishment, recent weeks have taken a cruel toll. Dead in the past month are Philip Jessup and Norman Mackenzie, one American, one

Canadian - each an international legal scholar of boundless energy and imagination. Dead, too, are Alva Myrdal, that tireless worker for disarmament, and - most cruelly - Olof Palme. For millions of his generation worldwide his was a voice of sanity and clarity, one of few that commanded respect for the intellectual integrity of his message as much as for the passion of its commitment. Hear this Olof Palme in 1969, shortly following his election:

"We speak of freedom as a form, but what of its content? How does the starving Asian farmer see his freedom? Can he use it? He is free to read and write his views. No power prevents him from publishing books and newspapers. All this is open to him - just like the Hotel George V in Paris. Lack of freedom does not only mean prison bars. The vast prisons of our time are poverty and starvation. Social and economic realities are the true content of freedom."

Olof Palme was a disciple of Alexander Herzen's postulate a century and a half ago: "The greatest of sins that any human being can perpetrate is to seek to transfer moral responsibility from his own shoulders to an unpredictable future order."

Carl Heden, we all share your grief.



- 9 -

In the North, political commitment to the development of the South wanes in the face of unemployment and economic stagnancy. The United States Foreign Aid Bill is in considerable peril. (The Administration has requested \$15.2 billion; the House of Representatives is suggesting \$7.4 billion, of which \$5.4 billion is earmarked for Egypt, Israel and Jordan. The balance of the world would receive \$2 billion of which half would be military aid, leaving only \$1 billion for developmental purposes in all of Asia, Africa and Latin America). In Canada, last month's budget reduced the rate of growth of official development assistance, but real growth remains. So does firm commitment. From \$2.1 billion in FY1985-86, to \$2.4 billion in ODA next year. In addition, quality has improved. All concessional loans will henceforth become grants.

Elsewhere, the Baker Initiative stagnates. The 15 countries eligible are by no means the only ones in need of help; the \$29 billion proposed is inadequate; the likelihood diminishes that either the private banks or the World Bank will find their respective shares of 20 and 9. The new President of the Bank, Mr. Barber Conable, faces a range of challenges as he assumes office.

This, Madam Chair and fellow Governors, is the world in which IDRC functions. Part II of this report will address, as is my custom, briefly and very selectively some of the Centre's activities. Dominating much of management's attention in recent months have been financial issues; these have been aired in some detail before the Finance and Audit Committee, and will be reported to the full Board later in this meeting.

I am happy to be able to report that our new Regional Director for Eastern and Southern Africa, Dr. Adzei Bekoe, is now firmly in control of the Nairobi office. Bruce Scott is well along in his organizational efforts in Dakar. And as is so evident to all of you on this occasion, Vijay Pande continues to meet and to exceed the high expectations that we placed upon him when SARO was opened three years ago. He has skillfully fashioned a competent, dedicated and effective team.

Following the retirement of John Woolston after 15 years of service, and his departure for ICARDA where he flourishes, the remaining Vice-Presidents share additional responsibilities but find time nevertheless for contributions beyond the Centre. Ray Audet has recently

completed his term as a member of the Advisory Committee formed by the CGIAR Secretariat to assist in the review of the budgetary and financial management of the international agricultural research centres. Jim Mullin has been re-elected rapporteur of the United Nations Advisory Committee on Science and Technology for Development. Joe Hulse has this winter delivered in 15 cities across Canada the prestigious Klinck Lectures sponsored by the Agricultural Institute of Canada. The series was inaugurated some years ago by Norman Borlaug, Nobel Peace Prize Laureate. Joe's selection for this task brings honour to himself and to the Centre.

The search for a new Director of the Social Sciences Division has concluded. I am excited to be able to indicate to Centre officers that the Board in its in-camera session has confirmed the appointment of Dr. Anne Whyte to that position. Dr. White is now with the Man and the Biosphere Program of UNESCO, on leave from the University of Toronto. She comes highly recommended from the search committee and will contribute considerable strength to the Centre.

The Board has approved as well the rotation of Gerald Bourrier and Allan Rix to FAD and Human Resources Division respectively.

The long list of distinctions received over the years by Communications Division was extended last month when two publications, one of them "Searching 1984", were recognized for awards by the Society for Technical Publication.

Doug Daniels and his colleagues in OPE have developed a computerized evaluation and planning data base which is proving to be of immense value in the Centre's efforts better to understand and discharge its mandate.

The accomplishments of our developing country colleagues and project leaders is of special pride to me. Joining the exclusive Ministerial community of such persons as Dante Caputo in Argentina, and Sheikh Amidou Kane in Senegal, are now Messrs. Ruganda and Safali, respectively Minister of Health in Uganda and Minister of Economic Planning in Lesotho.

Distinguished visitors to the Centre in recent weeks have included the Minister of Environment of Indonesia, the President of the Council of Ministers of Peru, Nicolas Ardito Barletta, former President of Panama, and Thom Kierstens, Secretary General of Euronaid.

Finally, Madame Chair, to conclude this report, I have to count among my own activities a number of trips. I engaged, partially with you, in project visits to Tunisia, Egypt (including MERO), Jordan and Syria, attended a session of the Inter-American Dialogue in Washington, D.C. (followed by meetings in New York with UNDP and the foundations), of the Independent Commission for International Humanitarian Issues in Vienna, and of the Board of Trustees of IFPRI in Nairobi - where I also visited EARO and ILRAD. I delivered two speeches in London, Ontario and one in Ottawa, the latter to the National Forum on Africa. Three other brief trips were taken, one to Washington and two to Toronto. The work pressures which arose out of the federal government's budget exercises forced me to cancel a trip to Paris to participate in a meeting of the ICSU Study Group on scientific activities for the benefit of developing countries, of which I am a member.

That, Madame Chair, concludes my report.